



ENVIRONMENTAL PRODUCTS AND TECHNOLOGIES

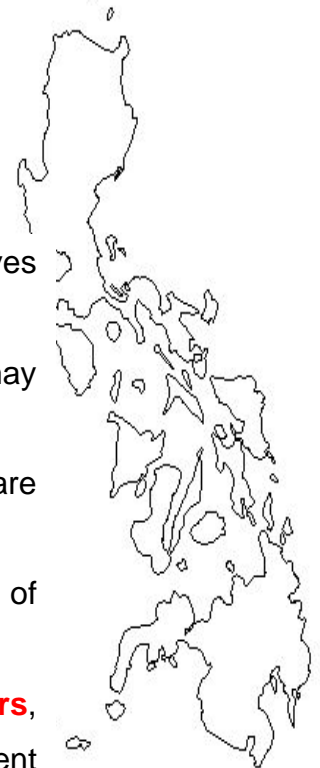
Market Overview

- Philippine market for environmental products and technologies is expected to **grow 5-8 percent** over the next 3 years.
- Major environmental challenges in the Philippines include:
 - ✓ **Air pollution**, particularly in urban settings
 - ✓ Limited access to **potable water** through existing distribution operations
 - ✓ **Lack of sanitation** and sewerage systems- only 7% of households are connected to sewers
 - ✓ Ground water contamination
 - ✓ **Solid waste dumpsites** are filled beyond capacity
 - ✓ Limited facilities to treat **hazardous wastes**



Regulation and Financing

- The central government has enacted laws and regulations that provide incentives to environment related projects.
 - ✓ Local government units (LGUs) and government-sponsored projects may **import** machinery, equipment and technology **tax and duty-free**.
 - ✓ Enterprises engaged in various environmental improvement projects are offered **high priority financial services** from the central government.
 - ✓ LGUs receive **government grants** for the innovative development of technical capacities.
- Major **project funders** are the central government, **bilateral donors**, **Multilateral Development Banks** (MDBs: World Bank, Asian Development Bank) and a few large national and multinational companies.



Competition

- Currently, **U.S. enjoys favorable market position** in many environmental equipment and services sectors, due to quality, price and reputation.
- Primary competition continues to come from Europe, Japan, Australia, Korea and Taiwan.
- Major environmental projects are won via **bidding process** through MBDs, commercial banks or bilateral donors (USAID, JICA).
- **Sub-contracting relationships** with large environmental services providers are **essential for small to medium-sized companies** wishing to engage in larger deals.
- U.S. equipment providers seeking local partners should ensure agents have broad distributor reach throughout all regions of the country.

Principal Sub Sectors

- **Air pollution equipment** such as emission control equipment, clean energy technologies, and vehicular and industry emission testing systems
- **Water and wastewater resources equipment** including pumps, pipes and valves; sterilization technologies; recycling equipment; water treatment facilities; products to optimize existing and develop new water systems; and wastewater treatment products.
- **Sanitary landfill equipment** such as liners, and composting and recycling technologies.
- **Toxic and hazardous waste treatment equipment**, including alternative non-burn technologies such as size reduction and compaction, and autoclave and microwave thermal technologies.

Commercial Opportunities

- Major current and ongoing MDB projects include the financing of **sewerage, sanitation and drainage** investments; **river rehabilitation** loans; **waste management** investments and air quality improvement projects.
- The central government is supporting LGU efforts in **solid waste management**, implementation of a viable **motor vehicle inspection system**, and construction of **new landfill facilities**.
- Bilateral donor agencies are providing loans and grants on projects ranging from **environmental infrastructure** support to **industrial pollution control**.



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